UMASS/AMHERST
312066 0271 5972 5

Digitized by the Internet Archive
in 2012 with funding from
Boston Library Consortium Member Libraries

http://archive.org/details/decision1995mass

455.AP21.B
995/3-P6

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS COLLECTION

JUN 13 1995

University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE MERGER OF
THE BANK OF WESTERN MASSACHUSETTS, SPRINGFIELD, MASSACHUSETTS
WITH AND INTO
CHITTENDEN ACQUISITION BANK, SPRINGFIELD, MASSACHUSETTS

Pursuant to the provisions of Massachusetts General Laws chapter 172, section 36, The Bank of Western Massachusetts, Springfield, Massachusetts seeks to merge with Chittenden Acquisition Bank, Springfield, Massachusetts under the charter and by-laws of the Chittenden Acquisition Bank and the name of The Bank of Western Massachusetts. The proposed merger is part of a multi-step transaction to effectuate the acquisition of The Bank of Western Massachusetts by Chittenden Corporation, Burlington, Vermont. Certain applications related to this matter, including an application to form Chittenden Acquisition Bank, were filed with the Commonwealth's Board of Bank Incorporation which on this same date approved the petitions before it.

The Bank of Western Massachusetts is a state-chartered trust company. It was organized under chapter 172 of the General Laws and began to transact business on April 1, 1987. As of December 31, 1994 it had assets of approximately $222 million and operates four banking offices in Springfield, Holyoke, and Amherst, Massachusetts. As noted above, Chittenden Acquisition Bank was formed as part of this multi-step transaction.

The Division has reviewed this transaction for compliance with the provisions of section 36 of chapter 172. Economic, financial and managerial factors related to this transaction have also been reviewed and considered. The Bank of Western Massachusetts satisfactory rating under the Community Reinvestment Act, section 14 of chapter 167 of the General Laws, was also a factor in the substantive review of this application.

On the basis of the foregoing considerations, the record of this application, and the statutory and regulatory requirements, approval is granted to merge The Bank of Western Massachusetts with and into Chittenden Acquisition Bank, and for the continuing bank to maintain the banking offices of the Bank of Western Massachusetts as its offices.

The approvals granted herein are subject to the following conditions:

(1) that prior to any merger, Chittenden Acquisition Bank obtain a certificate to transact business from the Board of Bank Incorporation;

(2) that the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks or other duly authorized officers of each bank indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 172, section 36 has been returned with my endorsement thereon;

(3) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and

(4) that the proposed merger be consummated within one year of the date of this Decision.

March 16, 1995
Date

Thomas J. Curry
Acting Commissioner of Banks

995 1-5

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS COLLECTION

FEB 27 1995

University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE MERGER OF QUINCY SAVINGS BANK, QUINCY WITH AND INTO CITIZENS BANK OF MASSACHUSETTS, BOSTON AND THE MERGER OF QUINCY SAVINGS BANK, QUINCY WITH CITIZENS INTERIM TRUST COMPANY, BOSTON

Citizens Bank of Massachusetts ("Citizens"), Boston and Quincy Savings Bank ("Quincy"), Quincy, have petitioned the Commissioner of Banks to consolidate pursuant to the provisions of Massachusetts General Laws chapter 168, section 34D. In conjunction with, and prior to that transaction, application has also been made for a merger of Citizens Interim Trust Company with and into Quincy. Citizens Interim Trust Company, a wholly-owned subsidiary of Citizens Financial Group, Inc. ("CFG"), Providence, Rhode Island to be established in Boston has been granted a certificate of public convenience and advantage by the Massachusetts Board of Bank Incorporation under a separate decision. CFG is the parent holding company of Citizens.

Notice of each application has been posted and published as required by the Division. The time period for interested parties to submit comments on either proposal has passed. Accordingly, all documents and materials related to these transactions have been reviewed. That record has been considered with regard to the financial and managerial resources of each bank, the competitive effects of the proposed transactions and the convenience and needs of the communities to be served by the continuing institution and other applicable statutory criteria.

CFG is a bank holding company within the meaning of the federal law and has three bank subsidiaries, two of which are headquartered in Providence, Rhode Island and one, Citizens, headquartered in Boston, Massachusetts. As of June 30, 1994, CFG had consolidated assets of $8.1 billion.

Citizens had assets of $3.3 billion on such date. CFG, through its three banking subsidiaries, competes in the Boston and New Bedford, Massachusetts banking markets as well as banking markets in Rhode Island and Connecticut. Citizens services its customers in the Commonwealth from fifty-four banking offices located in Metropolitan Boston, in Plymouth, and in Fairhaven where it previously had its main office as well as on Cape Cod and in numerous other cities and towns in and around the areas specified.

Quincy is a state-chartered savings bank in stock form with consolidated assets of $825 million as of June 30, 1994. Quincy's primary service area is that city and other municipalities on the South Shore. It services that market from fourteen banking offices in nine communities.

The only specific competitive overlap in the banking operations of the two institutions located in the Commonwealth is in the Norfolk and Plymouth Counties segment of the Boston banking market. As detailed in the application, the Boston banking market is comprised of numerous commercial and thrift institutions and serviced by many banking offices. Based upon the information submitted, after the acquisition, CFG's subsidiaries would control only 4.04% of total market deposits in the Boston banking market as a whole and 6.16% and 15.35% of deposits in Norfolk and Plymouth Counties, respectively. Guidelines used to measure concentrations of market share by federal agencies which have passed upon the transactions do not evidence an adverse impact on competition. Traditionally, however, this Division has not limited its review to those previously cited federal standards in its consideration of whether competition will be unreasonably affected. Rather, it is the position of this Division to also consider a transaction in light of its impact on the citizens, communities and banking structure in the Commonwealth on a community by community basis as well as variously grouped markets. The overlap in the branch office networks of Citizens and Quincy were found to be minimal. The Board notes that both Norfolk and Plymouth Counties border on the Suffolk County. Moreover, Petitioners state that the multitude of financial services available in Boston and Suffolk County generally will serve as a bar to anti-competitive behavior by financial institutions in their neighboring communities. Therefore, the Board's review of the various factors related to the effect on competition by the proposed transaction do not preclude favorable consideration of the application.

The Division's review of this application has considered the public convenience and advantage that would be promoted by approval of this transaction. The submitted materials indicate that CFG plans to make available a broader selection of products and services than is offered currently by Quincy. Additionally, the combined institution will provide customers with access to banking services at a greater number of locations producing more convenient access to banking services. Petitioners specifically note that the geographic location of Quincy's banking offices will fill a gap in the branch office network of Citizens that currently exists on the South Shore. The Division, after inquiry, is satisfied that the integration of Quincy's data processing system into those of Citizens can be accomplished with little disruption to the banking public now served by Quincy.

The application also makes reference to the continuing bank's exercise of trust powers pursuant to Massachusetts General Laws chapter 167G. The Division's records indicate that Quincy had previously been granted such trust powers. Pursuant to Massachusetts General Laws chapter 168, section 34D such trust powers will, by operation of law, inure to Citizens as the surviving entity.

Related to the issue of public convenience and advantage is the record of performance under the Community Reinvestment Act (the "CRA") by the parties to the transaction or their bank subsidiaries. Such review for state-chartered banks includes examination by personnel of the Division of Banks as well as analysis of concerns received from the bank's community and its response to those concerns fairly raised. The Division will also consider a publicly available descriptive rating and evaluation by a federal or state bank regulatory agency. Based on the record of the application, the Division is aware that Citizens and Quincy each received CRA rating of "outstanding" in the most recent examination of their performance.

The reasons cited above and others detailed in the application weigh in favor of a determination to approve the transaction based upon public convenience and advantage considerations.

The application filed concerning the merger of Citizens Interim Trust Company and Quincy was submitted under a statute similar to that governing the Citizens and Quincy consolidation. A record has also been established relative to that part of this multi-step transaction. Pursuant to those same provisions of law and policies of the Division, this merger, in which Citizens will be the continuing entity until its subsequent merger with and into Citizens, has been reviewed under the same considerations detailed previously herein.

Upon review of these applications with reference to the relevant statutory and regulatory criteria, this Division has concluded that all such requirements have been met and that consummation of these proposed mergers would be in the public interest. On the basis of these considerations approval is hereby granted for Citizens Interim Trust Company to merge with and into Quincy and, subsequent to that consolidation, for Quincy to merge with and into Citizens. Approval is also granted Citizens to maintain the banking offices of Quincy as branch offices.

The approvals granted herein are subject to the following conditions:

(1) that prior to any merger, Citizens Interim Trust Company obtain a certificate to transact business from the Board of Bank Incorporation;

(2) that no merger shall become effective until a certificate signed by the Presidents and Clerks or other duly authorized officers of the banks involved in each particular merger indicating that each such institution has complied with the provisions of Massachusetts General Laws chapter 168, section 34D or other applicable statute has been returned with my endorsement thereon;

(3) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and

(4) that all such mergers be consummated within one year of the date of this decision.

1/5/95
Date

Acting Commissioner of Banks

995/14-25

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS COLLECTION

JUN 13 1995

University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE APPLICATION OF CAMPELLO CO-OPERATIVE BANK, BROCKTON, MASSACHUSETTS TO BECOME A MUTUAL HOLDING COMPANY

Campello Co-operative Bank (the "Petitioner"), Brockton, Massachusetts, a state-chartered co-operative bank in mutual form, has filed with the Division of Banks (the "Division") for approval to reorganize into a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3. This reorganization is the first proposed by a co-operative bank. Currently, there are five state-chartered savings banks which have reorganized into mutual holding companies under the same statute.

As defined in Massachusetts General Laws chapter 170, section 1, a shareholder or member of a co-operative bank is a holder of a deposit or share account referred to in the applicable provision of the General Laws. Members must vote on significant corporate matters. Accordingly, on June 15, 1994 the Petitioner's Members as well as its Board of Directors approved and adopted a Plan of Reorganization. The mutual holding company will be known as Campello Bancorp (the "Holding Company") and headquartered at 1090 Main Street, Brockton, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary

co-operative bank, in stock form, to be known as The Community Bank, a Massachusetts Co-operative Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board") relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its Members and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions.

The application and supporting documents, as amended, have established an extensive record on this petition which has been reviewed in light of the statutory provisions and policies of the Division. Those statutory requirements necessitate, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the following considerations:

1. The reorganization shall not be consummated until:

   a. all additional regulatory approvals have been obtained; and

b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of such assets noted by the Petitioner in its filing of April 20, 1995 having a book value of approximately $1.25 million.

2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:

a. The Subsidiary Bank's Tier 1 capital must equal or exceed 6% of total assets based upon its most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amounts of capital and assets shall be calculated in accordance with 12 CFR Part 325.

b. The Holding Company's Tier 1 capital must be equal or exceed 6% of total consolidated assets based upon its most recent call report or any amendments thereto as reported to the proper federal or state authority. The amounts of capital and assets shall be calculated in accordance with CFR Part 325.

c. Subsequent to the reorganization, the Subsidiary Bank and the Holding Company may request, for cause shown, that the capital requirements set out in clauses a and b above, be reduced by the Commissioner.

If the minimum capital to assets ratios fall or would fall below those stated in clauses a and b unless otherwise reduced as provided in clause c, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the Subsidiary Bank maintains said minimum capital to assets ratio.

3. After the completion of the reorganization

a. The Holding Company may engage in only such activities as are now or may hereinafter be authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and

b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered co-operative bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

4/25/77

Date

Acting Commissioner of Banks

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Everett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS
COLLECTION
JUL 21 1995
University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE MERGER OF
BANK OF TAUNTON, A CO-OPERATIVE BANK, TAUNTON, MASSACHUSETTS
WITH AND INTO
PEOPLE'S SAVINGS BANK OF BROCKTON, BROCKTON, MASSACHUSETTS

Pursuant to the provisions of Massachusetts General Laws chapter 168, section 34D Bank of Taunton, A Co-operative Bank ("Taunton"), Taunton, Massachusetts and People's Savings Bank of Brockton ("People's"), Brockton, Massachusetts seek to merge under the terms of an Agreement and Plan of Merger. That Agreement provides for the merger of Taunton with and into People's under the charter, by-laws and name of People's. Additionally, under the Agreement, People's main office will remain the main office of the consolidated bank. Pursuant to a supervisory conversion, Taunton is a co-operative bank in stock form and a wholly-owned subsidiary of People's. Upon its acquisition of all of the stock of Taunton in the supervisory conversion, People's became a bank holding company under the provisions of Massachusetts General Laws chapter 167A. Approval of the supervisory conversion of Taunton and the authority granted to People's to become a bank holding company are set out in separate decisions of the Division of Banks and the Board of Bank Incorporation, respectively.

Notice of the application has been posted and published as required by the Division of Banks. The time period for interested persons to submit comments has passed, and a review of the application, supporting documents and all related materials received has been completed. The analysis of this record considered the competitive effects of the proposed transaction, the financial and managerial resources of each bank, the convenience and needs of the communities to be served by the continuing institution and other applicable statutory criteria.

People's is a state-chartered savings bank in stock form with assets in excess of $231 million as of December 31, 1994. It operates six banking offices of which four are located in

Brockton, with one in Stoughton and the other in South Easton. Taunton, a co-operative bank in stock form, operates from two banking offices in the City of Taunton. As of December 31, 1994 it had assets of approximately $19 million. There is no city or town in which both banks maintain a banking office. Therefore, the competitive effects of the proposed transaction do not preclude favorable consideration of the application.

Within the application, the Petitioner provides several arguments that public convenience and advantage will be served by the merger. Several additional deposit and credit services of People's will be available to customers of Taunton subsequent to this transaction as well as a $2 million mortgage loan program in the City of Taunton carrying flexible underwriting standards and lower than market rates. Additionally, pending its own review, People's will maintain the branch office which Taunton applied to close located at 478 Middleboro Avenue, East Taunton. These factors and others contained in the record of this application support a determination that public convenience and advantage would be promoted by approval of this merger.

Another factor reviewed by the Division on each pending application is the compliance of state-chartered institutions with the provisions of the Community Reinvestment Act ("CRA") set out in Massachusetts General Laws chapter 167, section 14. Such review includes, for a state-chartered bank, examination by personnel of this Division as well as analysis of concerns received from the community relative to a bank's record of performance. Under said section 14, a holding company is responsible for the actions of its bank subsidiaries. Upon review, both People's and Taunton have "Satisfactory" ratings in the most recent examinations of their performance under CRA.

Financial and managerial considerations related to the proposed transaction were also found by the Division to be consistent with approval of the application.

On the basis of the foregoing considerations, the record of this application, and the statutory and regulatory requirements, approval is granted to (1) merge Taunton with and into People's and (2) for the continuing bank to maintain as branch offices the two banking offices of Taunton.

The approvals granted herein are subject to the following conditions:

(1) that the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks or other duly authorized officers of each bank indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 168, section 34D has been returned with my endorsement thereon;

(2) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and

(3) that the proposed merger be consummated within one year of the date of this Division.

5/10/95
Date

Thomas J. Curry
Acting Commissioner of Banks

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS
COLLECTION

JUL 21 1995

University of Massachusetts
Depository Copy

IN THE MATTER OF
BANK OF TAUNTON, A CO-OPERATIVE BANK, TAUNTON, MASSACHUSETTS
APPLICATION FOR APPROVAL OF A SUPERVISORY CONVERSION
FROM A MUTUAL CO-OPERATIVE BANK TO A STOCK CO-OPERATIVE BANK

DECISION

Bank of Taunton, A Co-operative Bank, Taunton, Massachusetts ("Applicant" or "Bank") is a duly chartered co-operative bank with two banking offices in Taunton and assets of approximately $19 million as of December 31, 1994. The Bank has applied pursuant to chapter 170, section 26C of the Massachusetts General Laws and 209 CMR 33.00, Subpart B ("Subpart B") for permission to convert from a co-operative bank in mutual form to a co-operative bank in stock form. Subpart B governs supervisory stock conversions in which newly issued capital stock is sold to third parties and the account holders of a co-operative bank have no voting or subscription rights. In conjunction with this application, certain related authorities have been requested that are subject to additional approvals. The Bank has entered into an agreement with People's Savings Bank of Brockton ("People's"), Brockton, Massachusetts whereby the Bank would merge with and into People's under the by-laws, charter and name of People's. People's would acquire all of the stock of the Bank in the conversion and thereby become a bank holding company pursuant to chapter 167A of the Massachusetts General Laws. Decisions relative to the merger and People's petition to become a bank holding company are set out in separate decisions of the Division of Banks and Board of Bank Incorporation, respectively.

Under Subpart B, the Commissioner must determine that there is no equity value realizable by the mutual account holders. In Administrative Bulletin 34-1 (the "Bulletin") issued on October 29, 1992, the Division determined that for the purposes of a supervisory conversion no equity value would be realized upon the liquidation of a bank which is "significantly undercapitalized" or "critically undercapitalized" as those terms are defined in regulations of the Federal Deposit Insurance Corporation at 12 CFR § 325.103. As of December 31, 1994, the Bank's leverage ratio was 2.48%, its ratio of Tier 1 Capital to risk-weighted assets was 4.74% and its ratio of total capital to risk-weighted assets was 5.99%, categorizing it as "significantly undercapitalized".

Based upon a review of the record, the Applicant was found to have complied with all the statutory and regulatory filing requirements necessary for a completed supervisory stock conversion application, including the requirement that such supervisory conversion has been authorized by an affirmative vote of at least two-thirds of the Applicant's Board of Directors. The completed application and all other material required to be filed have been considered in accordance with Massachusetts General Laws and applicable stock conversion regulations.

Through the conversion, the Applicant will acquire from People's sufficient capital to enable it to be "adequately capitalized" as such term is defined in 12 CFR § 325. By restoring the financial soundness of the Bank, the conversion will benefit the community in which it operates. This transaction is vastly preferable to instituting further serious regulatory action. Other banks will not be adversely affected by the conversion and the public's access to credit within the Applicant's communities will also not be adversely affected.

Accordingly, on the basis of the record indicated above and a determination that all provisions of 209 CMR 33.16 have been met, I hereby approve the Application for Supervisory Conversion, the Plan of Voluntary Supervisory Conversion and Acquisition of Bank of Taunton, A Co-operative Bank, ("Plan of Supervisory Conversion"), including the Amended and Restated Charter of Bank of Taunton, A Co-operative Bank, the Stock Purchase Agreement, and the proposed purchaser, the purchase price, the closing date for the purchase and the other terms of sale as set forth in the foregoing documents. The approval of the Plan of Supervisory Conversion also includes the establishment of the liquidation account in Section 5 of the Plan pursuant to the authority set out in 209 CMR 33.18(b). Upon conversion the Applicant will be fully authorized to transact the business of a state-chartered co-operative bank in stock form. This approval is conditioned upon the completion of the sale of the stock to be issued in the conversion within the time period required by 209 CMR 33.19(3). All other provisions of 209 CMR 33.00, Subpart B are incorporated by reference in this approval including the requirement in 209 CMR 33.19(5) that no amendment to the Plan of Supervisory Conversion may be made without approval of the Commissioner.

10/10/95
Date

Thomas J. Curry
Acting Commissioner of Banks

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
ACTING COMMISSIONER

The Commonwealth of Massachusetts

Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

GOVERNMENT DOCUMENTS
COLLECTION

JUL 21 1995

University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE APPLICATION OF CAMBRIDGE SAVINGS BANK, CAMBRIDGE, MASSACHUSETTS TO ESTABLISH A BRANCH OFFICE AT 1378 CAMBRIDGE STREET, INMAN SQUARE, CAMBRIDGE

Cambridge Savings Bank ("Cambridge" or the "Petitioner"), Cambridge, Massachusetts has petitioned the Division of Banks (the "Division") to establish a branch office at 1378 Cambridge Street, Inman Square, Cambridge, Massachusetts pursuant to the provisions of Massachusetts General Laws chapter 167C, section 3. That statute authorizes any state-chartered bank to establish and maintain one or more branch offices anywhere within the Commonwealth. Under the law, the establishment of a branch office is subject to such notice and hearing as the Commissioner of Banks (the "Commissioner") may require and is subject to the written permission and any conditions which the Commissioner may impose.

The application submitted meets the requirements of law and the administrative provisions of the Division. Accordingly, notice of the application was posted and published in accordance with the Division's standard procedures. The comment period on the application ended on October 10, 1994. Based on the public responses received during the comment period, the Division extended its review of this matter. As part of this process, the Division has examined its internal procedures and policies for analyzing applications on which comments are received.

The Division's administrative procedures governing applications have been established to provide opportunity for interested parties, whether consumers, businesses or other regulated entities, to express their views on a pending matter. As part of those procedures a petitioner must publish notice of the application in a area newspaper designated by the Division and post

notice in the lobby of any of its banking offices. The Division also lists the application on its monthly Activity Report. Each of those notices sets out the end date for public comment. All comments received are read and analyzed by staff of the Division to determine what if any impact the comments should have on the Division's review process and decision. Often the petitioner is required to respond to the issues raised in those comments. The public record of the application includes all such documents.

Although each matter raised in a public comment is considered by the Division, the weight assigned, if any, varies significantly. The Division's focus is squarely on matters within its jurisdiction which includes a determination of the completeness of the application. Some matters are noted with deference given to other public officials where appropriate. For certain issues the business judgment of an applicant's management is recognized. Accordingly, not all comments raised impact the Division's analysis of an application or are addressed in the written decision on the petition.

The factors on which the merits of this application will be analyzed are well settled. Since the application was submitted under section 3 of chapter 167C of the General Laws, the provisions of that law and items set out in the related application of the Division will be considered as are the financial and managerial resources of the Bank, its record of performance under the Community Reinvestment Act ("CRA"), as well as the public convenience and advantage to be served by the proposed branch office and the competitive effects of the proposed transaction. The criteria set out in said section 3 include whether competition will unreasonably be affected; whether public convenience and advantage will be promoted which consists in part of a showing that net new benefits. As defined in that law, net new benefits includes capital investments; job creation plans; consumer and business services and commitments to maintain and open banking offices within an institution's community. On the foregoing factors, the Division has reviewed all documents, materials, and issues raised relative to this application.

The Petitioner is a state-chartered savings bank in mutual form. It offers a wide variety of deposit and credit products as well as other customer services. At the time the application

was filed, the Petitioner stated assets of $943,566,399.00. It serves its customers from eight banking offices all of which are in Middlesex County. Its main office and one branch office are located in Cambridge.

The site of the proposed branch office is located in the Inman Square area of Cambridge. The branch office would be located in a three story, renovated brick building. The banking office would occupy approximately 1500 square feet on the first floor. The application notes that the site would be handicap accessible. The proposed site would be staffed by the equivalent of eight full time employees. The Petitioner is also seeking authority to establish an electronic branch ("ATM") at the office and anticipates providing a night depository.

As stated in the application the proposed branch office would be located in the heart of Inman Square. That area is described extensively. It consists of retail and professional industries which serve a large percentage of the residential neighborhoods in East Cambridge. The Petitioner notes that Inman Square has heavy traffic patterns and is one of the busiest intersections in East Cambridge. Public transportation routes pass and passenger stops are located directly outside and on both sides of the proposed branch office. Pedestrian traffic is also significant.

The Division received extended comments to this application from another state-chartered savings bank and a state-chartered credit union. Each of those institutions has an office in Inman Square. However, each entity emphasized that their objections to the proposed branch office were not based on a concern on its competitive impact on their business in Inman Square. One filing raised several issues and clearly evidenced a thorough review of the documents filed and knowledge of the area. Combined, the protesters questioned the proposed branch office's impact on traffic and parking; the Petitioner's projections on the viability of the proposed branch office and the adequacy of banking services available; the proposed establishment of the office in light of other banks decisions to close offices within Inman Square; past branch closings of Cambridge; and the completeness of the application.

The financial characteristics of the Petitioner have been considered in conjunction with this proposal to establish a branch office. In particular, the Division analyzes the impact the transaction would have on the capital or surplus of an institution if the proposal were not to be successful. Projections of the applicant, which in this case show losses of just under $67,000 during the first year of operating the branch office, if approved, are helpful in this process. The Division's financial analysis reflects the Cambridge's surplus position exceeds any regulatory requirements and has grown at a consistent level. That growth also clearly reflects earnings strength of the Petitioner's assets. The cost to lease the proposed site and to make it operational by Cambridge have also been factored into the Division's calculations on the financial impact of the proposed transaction. Based on the review of these various financial criteria, the Division finds that fiscal strength of the Petitioner is supportive of the application to establish a branch office. Managerial factors are supportive of the application. Additionally, the Division's consideration of the competitive efforts of the transaction which included extended review of the information presented by the Petitioner and the two institutions which commented on the application, does not preclude approval of the establishment of the branch office.

In its various filings, the Petitioner has adequately addressed the issue of net new benefits which will result from the transaction. As previously noted, that standard is set out in a banking law provision, General Laws chapter 167C, section 3. In this matter, Cambridge points out that use of the location will provide several benefits to the business area of Inman Square. Additionally, it will create jobs for the equivalent of eight full time positions under current plans. Renovations to the property, although not extensive, will also provide capital investments. Moreover, as set out in the documents filed, the establishment of the branch office will further enhance the ability of Cambridge to deliver its products and services while also evidencing its commitment to its local community.

Issues of increased traffic and lack of parking were raised by each of the two commenters. As part of its presentation, the services of a consulting traffic engineer were retained by one commenter and a report submitted of the findings on the impact on current traffic and parking situations at Inman Square. The Division's application seeks information on available parking solely to obtain a better understanding of the proposed site. However, such matters are

unlikely to be determinative of this regulatory agency's decision on a branch office. If the branch office is to open it must comply with local zoning and other requirements. The Division defers to those regulations as established by each municipality. On such issues the Division will not hold a bank to a higher standard than the municipality would require of another enterprise.

As part of any application before the Division for an approval, the petitioning institutions' performance under CRA is a critical factor. The Division's emphasis on an institution's CRA evaluation on the regulating approval process has been clearly articulated in Administrative Bulletin 5-10 issued on August 31, 1993. The review of an institution's record of performance under CRA includes examination by personnel of the Division of Banks as well as analysis of concerns received from the institution's community and its response to those concerns fairly raised. The Division also considers the examination done and public rating given by the Federal Deposit Insurance Corporation ("FDIC"). The record of this application reflects that Cambridge has a "Satisfactory" CRA rating.

One of the factors considered in an analysis of an institution's performance under CRA is its record of opening and closing offices and providing services at offices. Commenters have noted that the Petitioner has closed four branch offices in the past three years. One writer uses that fact to conclude this branch office will also likely be "abandoned". In its supplemental filing the Petitioner has responded directly to this issue on each of the four locations.

Since three of the four closings were related to the failure of another state-chartered bank, the Division adds its comments on this matter. On September 20, 1991, Bank Five For Savings ("Bank Five"), Arlington was closed by the Division. It was the twelfth bank to fail that year. More would follow. Prior to the closing, the Division in conjunction with the FDIC, sought to obtain a resolution which would cause the least disruption to customers served by the eight banking offices of Bank Five and provide some reassurance to the banking public that continued bank closings would be coupled with such resolutions. Cambridge's bid to purchase certain assets and assume the deposit liabilities of Bank Five was acceptable financially to the FDIC and the Division under General Laws chapter 168, section 35.

The Division's focus was on continued service to Bank Five's customers. Cambridge committed to retaining five of the failed bank's offices while maintaining the other three for at least thirty days as requested by the Division in order to minimize disruption to the customers at those sites. The maintenance of banking offices of a failed bank for an initial period after a closing was an important factor in the Division's resolution process. It allowed customers who would choose to transfer their banking business to do so in an orderly fashion while immediately having access to their funds on the next business day after the bank failure. In the resolution of the Bank Five closing, Cambridge fulfilled those responsibilities and was given approval ab initio to close the three offices after the maintenance period. Accordingly, in such resolutions the Division has not viewed Cambridge or any other acquiror of a failed bank as having abandoned a community it did not seek to serve but for regulatory considerations. As evidence of that position, records of the Division reflect that Cambridge was granted approval to open a branch office in January at the Minuteman Regional Vocational Technical High School in Lexington.

Accordingly, based upon these extended reviews of the several standards in which the application was analyzed, consideration of all comments and filings on the record of this matter and a determination that all requirements of Massachusetts General Laws chapter 167C, section 3 have been met, approval is hereby granted Cambridge to establish and maintain a branch office at 1378 Cambridge Street, Inman Square, Cambridge, provided that the branch office shall be opened within one year of the date of this Decision.

Authority is also hereby granted pursuant to the provisions of Massachusetts General Laws chapter 167B, sections 3 and 4 for Cambridge to establish an ATM at the above address, provided such activity also begins within one year from the above date. As indicated in the application, the ATM will be shared on the CIRRUS, TX, Mastercard, American Express Cash, Exchange networks as well as the NYCE and Yankee 24 networks or, if applicable, their successor corporation, InfiNet Payment Systems, Inc.

In order to conclude this transaction and to maintain an accurate record of the banking offices of Cambridge Savings Bank, please notify me in writing of the date on which the opening of this branch office took place. Also, this notice or a subsequent response to the Division's EDP Section, should include the ATM's identifier number and the date it commenced operation.

6/15/95
Date

Thomas J. Curry
Acting Commissioner of Banks

MASS. AF 24.6:995/12-5

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0807
TDD (617) 727-7625

COLLECTION
MAR 2 1996
University of Massachusetts
Depository

DECISION
RELATIVE TO THE APPLICATION OF
WESTFIELD SAVINGS BANK, WESTFIELD
TO BECOME A MUTUAL HOLDING COMPANY

Westfield Savings Bank (the "Petitioner"), Westfield, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on June 20, 1995 and August 8, 1995, respectively. The mutual holding company will be known as Westfield Mutual Holding Company (the "Holding Company") and headquartered at 141 Elm Street, Westfield, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Westfield Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board) relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its

depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions including the applicable provisions of 209 CMR 33.21-30, inclusive, governing such transactions.

The application and supporting documents, as amended, have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory, regulatory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling no later than at the time of closing of the transaction and the following considerations:

1. The reorganization shall not be consummated until:

   a. all additional regulatory approval have been obtained; and

   b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of such assets as referred to in a supplement to the application and discussed with the staff of the Division having a book value of no more than $25.0 million.

2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:

   a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon

the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

b. the Holding Company's consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and

c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. After the completion of the reorganization

a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and

b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

12/5/95
Date

Commissioner of Banks

The Commonwealth of Massachusetts

Board of Bank Incorporation

State Office Building, Boston

CERTIFICATE TO COMMENCE BUSINESS

The Board of Bank Incorporation constituted under the provisions of Massachusetts General Laws chapter 26, section 5, and acting under the powers conferred upon it by chapter 167H, section 5 of said General Laws hereby certifies that

WESTFIELD SAVINGS BANK

Westfield, in said Commonwealth, has filed with the Board Articles of Organization and other information required by said section 5 of said chapter 167H and an examination has been made from which the Board has determined that the Bank has complied with all other requirements of said chapter 167H. Westfield Savings Bank is hereby authorized to commence the business of a stock bank provided that business shall not commence until the Bank has filed applicable documents with the State Secretary.

IN TESTIMONY WHEREOF the members of the Board hereby affix their name at Boston this 5th day of December 1995.

Commissioner of Banks)
)
) Board of
)
Commissioner of Revenue) Bank
)
) Incorporation
)
Treasurer and Receiver-General)

WA 25. AF 24.6-995/12-7

The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building, Room 2004

100 Cambridge Street

Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

Mass. Archives
Mar. 2 1996
University of Massachusetts
Depository

IN THE MATTER OF
WALDEN BANCORP, INC.
PETITION TO ACQUIRE THE STOCK OF
THE CO-OPERATIVE BANK OF CONCORD, CONCORD, MASSACHUSETTS

The Co-operative Bank of Concord ("Co-operative Bank" or the "Bank"), Concord, Massachusetts, a state-chartered co-operative bank and Walden Bancorp, Inc. (the "Petitioner"), a recently organized Massachusetts corporation with its main office at 125 Nagog Park, Acton, Massachusetts, have filed with the Division of Banks (the "Division") for approval of a Plan of Reorganization and Acquisition (the "Plan") dated as of June 14, 1995. Under the terms of said Plan, the Petitioner will acquire all of the issued and outstanding shares of the Bank's common stock, other than shares held by stockholders asserting dissenters' rights, in exchange for shares of the Petitioner's common stock pursuant to the provisions of Massachusetts General Laws chapter 172, section 26B. The Bank will then become a wholly owned subsidiary of the Petitioner as part of this internal reorganization. This action is part of a multi-step transaction which involves a separate application before the Commonwealth's Board of Bank Incorporation (the "Board") by the Co-operative Bank to establish Braintree Acquisition Savings Bank ("Acquisition Bank"). As proposed, the Co-operative Bank would then distribute its ownership of the stock of Acquisition Bank to the Petitioner. The final step would result in the merger of the Acquisition Bank with The Bank of Braintree, Braintree, Massachusetts, pursuant to the provisions of Massachusetts General Laws chapter 168, section 34D, under the charter and by-laws of the

Acquisition Bank and the name, The Braintree Savings Bank. The Co-operative Bank and The Bank of Braintree would remain separately chartered institutions, each with its own Board of Directors, name, and franchise, as bank subsidiaries of the Petitioner. The merits relative to the proposed formation of Acquisition Bank and subsequent transaction by which it is acquired by the Petitioner are, by statute, considered in a separate decision by the Board.

The Petitioner and the Bank have submitted the requisite documents required under the provisions of chapter 172, section 26B relative to the reorganization. Notice has also been given to the public in accordance with the directions of the Division. The deadline for filing comments has passed. Consequently, the Plan has been considered in conformity with the cited statutory provisions.

With reference to this petition before the Division, no bank expansion in the form of either a merger or multibank holding company acquisition is involved, thus bank competition will not be adversely affected by approval of the proposed transaction. According to information provided in the application, the Bank's services will not be affected as a result of this reorganization. Upon review, the Bank was found to have an "Outstanding" rating in the most recent examination of its performance under the Community Reinvestment Act. Therefore, public convenience and advantage considerations support approval of this petition. The Division's economic and financial reviews were also found to weigh in favor of this application.

Therefore, based upon the review of the record of this petition before the Division and a determination that the provisions of chapter 172, section 26B have been met, approval is hereby

granted for the Petitioner's acquisition of the Bank through the reorganization subject to the following provisions:

1. After the completion of the reorganization of the Co-operative Bank into the holding company structure the following investment and activities shall be authorized:

   (a) Walden Bancorp, Inc. may engage directly or indirectly in only such activities as are now or may hereafter be proper activities for bank holding companies registered under the Federal Bank Holding Company Act of 1956, as amended;

   (b) The Co-operative Bank of Concord may engage in any investment or activity which a bank from time to time engage in as a Massachusetts-chartered co-operative bank; and

   (c) Walden Bancorp, Inc., and the Co-operative Bank may engage in any other investment or activity hereafter authorized by the Commissioner of Banks under applicable law.

2. Commencing with the effective date of the acquisition, the Division's minimum capital requirements for the Co-operative Bank and Walden Bancorp, Inc. are as follows:

   (a) The Co-operative Bank of Concord's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon the bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

(b) Walden Bancorp, Inc.'s consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and

(c) If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. This acquisition shall conform with and become effective in accordance with the provisions of the Plan.

December 7, 1995
Date

Commissioner of Banks

MASS. AF 24.6: 145/12-5/2

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

Tel (617) 727-3145
Fax (617) 727-0807
TDD (617) 727-7625

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

DIVISION OF BANKS
MAR 2 1996
University of Massachusetts
Depository Copy

DECISION
RELATIVE TO THE APPLICATION OF
BERKSHIRE COUNTY SAVINGS BANK, PITTSFIELD
TO BECOME A MUTUAL HOLDING COMPANY

Berkshire County Savings Bank (the "Petitioner"), Pittsfield, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization initially approved and adopted by both the Petitioner's Board of Trustees and its Corporators on September 27, 1994 and October 24, 1995, respectively, and reapproved by each to reflect subsequently adopted applicable regulatory requirements on June 8, 1995. The mutual holding company will be known as Berkshire Bancorp (the "Holding Company") and headquartered at The PopCorner, Pittsfield, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Berkshire County Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board) relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its

depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions including the applicable provisions of 209 CMR 33.21-30, inclusive, governing such transactions.

The application and supporting documents, as amended, have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that, among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory, regulatory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling no later than at the time of closing of the transaction and the following considerations:

1. The reorganization shall not be consummated until:

    a. all additional regulatory approvals have been obtained; and

    b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of such assets as referred to in the application having a book value of approximately $100,000.

2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:

    a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit

Insurance Corporation or the Federal Reserve, based upon the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

b. the Holding Company's consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and

c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. After the completion of the reorganization

a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and

b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

12/5/95
Date

Commissioner of Banks

The Commonwealth of Massachusetts
Board of Bank Incorporation
State Office Building, Boston

CERTIFICATE TO COMMENCE BUSINESS

The Board of Bank Incorporation constituted under the provisions of Massachusetts General Laws chapter 26, section 5, and acting under the powers conferred upon it by chapter 167H, section 5 of said General Laws hereby certifies that

BERKSHIRE COUNTY SAVINGS BANK

Pittsfield, in said Commonwealth, has filed with the Board Articles of Organization and other information required by said section 5 of said chapter 167H and an examination has been made from which the Board has determined that the Bank has complied with all other requirements of said chapter 167H. Berkshire County Savings Bank is hereby authorized to commence the business of a stock bank provided that business shall not commence until the Bank has filed applicable documents with the State Secretary.

IN TESTIMONY WHEREOF the members of the Board hereby affix their name at Boston this 5th day of December 1995.

Commissioner of Banks

Commissioner of Revenue

Treasurer and Receiver-General

Board of Bank Incorporation

MASS AP 29.6 : 195/12 - 1/2

The Commonwealth of Massachusetts

Office of the Commissioner of Banks

Leverett Saltonstall Building, Room 2004

100 Cambridge Street

Boston, Massachusetts 02202

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

Mass. Division of Banks Decisions Depository

DECISIONS
RELATIVE TO TRANSACTIONS INVOLVING
THE CO-OPERATIVE BANK OF CONCORD, CONCORD, MASSACHUSETTS
BRAINTREE ACQUISITION SAVINGS BANK, ACTON, MASSACHUSETTS
AND
THE BRAINTREE SAVINGS BANK, BRAINTREE, MASSACHUSETTS

Pursuant to the provisions of Massachusetts General Laws chapter 168, section 34D, The Braintree Savings Bank ("Braintree"), Braintree, Massachusetts seeks to merge with Braintree Acquisition Savings Bank ("Acquisition Bank" or "new Braintree"), Acton, Massachusetts. Under the proposed transaction, Braintree would merge with and into Acquisition Bank. The continuing institution would operate under the charter and by-laws of Acquisition Bank and the name of The Braintree Savings Bank. The main office of Braintree would become the main office of the combined bank.

The proposed merger is part of a multi-step transaction also involving The Co-operative Bank of Concord ("Concord"), Concord, Massachusetts to effectuate the acquisition of Braintree by Walden Bancorp, Inc. ("Bancorp"), Acton, Massachusetts. Certain applications related to this matter, including the establishment of Acquisition Bank,were filed with the Commonwealth's Board of Bank Incorporation (the "Board"). On this same date, the Board has approved the matters pending before it for the formation of Acquisition Bank and for Bancorp to become a bank holding company. Upon consummation of all steps, Bancorp will operate two bank subsidiaries Concord and new Braintree. As part of the transaction, the banking office network

of Bancorp's subsidiaries will be realigned and include the closing of one branch.

Upon the formation of Acquisition Bank, it acquired assets of approximately $360,000,00 and assumed liabilities of approximately $335,000,000 related to seven branch offices of Concord which are located in Norfolk and Plymouth Counties. Concord has filed to close those seven branch office in conjunction with this transaction. Braintree is a state-chartered savings bank in stock form with its main office and one branch office in Braintree and a branch office in Norwell. It is a full service bank providing deposit and credit products to both consumer and commercial customers. As of June 30, 1995, it had total assets of $209,400,000. Upon consummation of the merger, the consolidated bank, new Braintree, will have assets of approximately $350,000,000 and operate nine banking offices on the South Shore. Concord will have $400,000,000 in assets and operate nine banking office in Middlesex County after the transaction with Acquisition Bank.

Financial and managerial factors have been reviewed by the Division in conjunction with the proposed transaction. As set out in the filing, the directors and management of new Braintree after the merger will generally consist of the current Board of Directors and the principal officers of Braintree. Financial information reviewed reflects that the capital ratios for new Braintree will be above regulatory requirements. Accordingly, such financial and managerial considerations weigh in support of the proposed merger.

The Petitioner has provided analysis that competition among banking institutions will not be unreasonably affected by this transaction. Among the facts cited is the size of new Braintree coupled with Bancorp's other subsidiary, Concord. The Petitioner cites that Bancorp's subsidiaries would, in the aggregate, control less than one percent of deposits in the Commonwealth. Moreover, the only community in which each bank has a banking office is

Braintree. Among other considerations, the Division has given weight to the fact in acquiring new Braintree, Bancorp would have subsidiaries with banking offices on the South Shore. Accordingly, Bancorp could through its overall policies negate competition in any form between its subsidiaries. Moreover, analysis by the Division indicates that there are a substantial number of competing financial institutions within the affected communities on the South Shore. Based on these considerations, the Division finds that the competitive effects of the transaction do not preclude approval of the merger.

The record of this application reflects the Petitioner's proposal that public convenience and advantage will be served by this transaction. It notes that the reorganization of the branch office networks of the two bank subsidiaries of Bancorp will facilitate customer convenience in the South Shore area. The ability to transact business at any banking office of Bancorp's subsidiaries is also cited. Among other arguments in support of the petition are an increased lending limit for new Braintree and the offering of a variety of products and services to reflect existing programs of Concord and Braintree. Increased commercial lending is also listed as a benefit which will result from this transaction.

Related to the issue of public convenience and advantage is the record of performance under the Community Reinvestment Act ("CRA") by the banks which are the parties to this multi-step transaction. Such review for state-chartered bank includes examination by personnel of the Division as well as analysis of concerns received from the bank's community and its response to those concerns fairly raised. For other institutions, the Board looks to a publicly available descriptive rating and evaluation by a federal or state bank regulatory agency. The matter was specifically addressed at the public hearing by the Board and the Division has noted that both Braintree and Concord have "outstanding" ratings in their most recent examinations of

performance under CRA. The Division's review of factors related to public convenience and advantage are consistent with approval.

On the basis of the foregoing considerations, the record of this multi-step transaction and the several applications related thereto and based on the statutory requirements, approvals are hereby granted as follows:

A. Under The provisions of General Laws chapter 168:

(1) for the merger of Braintree with and into Acquisition Bank with the main office of Braintree becoming the main office of the continuing bank which will operate under the name of Braintree Savings Bank; and

(2) for Acquisition Bank's assumption of liabilities and acquisition of assets related to the seven branch office of Concord on the South Shore and located at:

310 Grove Street, Braintree
250 Rockland Street, Hanover
1259 Hancock Street, Quincy
300 Newport Avenue, Quincy
85 Quincy Avenue, Quincy
1000 Southern Artery, Quincy
50 South Main Street, Route 28, Randolph

B. Under the provisions of General Laws chapter 167C:

(1) for Concord to close the seven branch offices cited in A. (2) above; and

(2) for Braintree to close its branch office at 444 Quincy Avenue, Braintree.

C. The approvals granted herein are subject to the following conditions:

(1) that prior to any merger, Braintree Acquisition Savings Bank obtain a certificate to transact business from the Board of Bank Incorporation;

(2) that the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks or other duly authorized officers of each bank indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 168, section 34D has been returned with my endorsement thereon;

(3) that the proposed merger shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of State; and

(4) that the proposed merger be consummated within one year of the date of this Decision.

December 7, 1995
Date

Thomas J. Curry
Commissioner of Banks

MASS. AP 24.6:995/12-14

The Commonwealth of Massachusetts
Office of the Commissioner of Banks
Leverett Saltonstall Building, Room 2004
100 Cambridge Street
Boston, Massachusetts 02202

Tel (617) 727-3145
Fax (617) 727-0607
TDD (617) 727-7625

WILLIAM F. WELD
GOVERNOR

THOMAS J. CURRY
COMMISSIONER

JUL 2 1996
UNIVERSITY OF MASSACHUSETTS
DEPOSITORY COPY

DECISION
RELATIVE TO THE APPLICATION OF
BENJAMIN FRANKLIN SAVINGS BANK, FRANKLIN
TO BECOME A MUTUAL HOLDING COMPANY

Benjamin Franklin Savings Bank (the "Petitioner"), Franklin, Massachusetts, a state-chartered savings bank, in mutual form, has filed with the Division of Banks for approval to reorganize so as to become a mutual holding company. The reorganization is to be accomplished pursuant to the provisions of Massachusetts General Laws chapter 167H, section 3 and effective in accordance with a Plan of Reorganization approved and adopted by both the Petitioner's Board of Trustees and its Corporators on September 26, 1994 and reapproved by the Corporators to reflect subsequently adopted applicable regulatory requirements on November 28, 1995. The mutual holding company will be known as Benjamin Franklin Bancorp, M.H.C. (the "Holding Company") and headquartered at 58 Main Street, Franklin, Massachusetts. As part of the reorganization, the Petitioner will establish a subsidiary savings bank, in stock form, which will use the name Benjamin Franklin Savings Bank (the "Subsidiary Bank"). Accordingly, the Petitioner filed an application with the Board of Bank Incorporation (the "Board) relative to the formation of the Subsidiary Bank. The merits of that application were, by statute, considered by the Board, which issued, as of this same date, a certificate to commence business for the Subsidiary Bank.

In accordance with the provisions of said chapter 167H, the Petitioner has submitted the requisite documents and information relative to this transaction. Notice has been given to its depositors and to the public. The deadline for filing comments has passed. Consequently, the reorganization has been considered in conformity with relevant statutory and regulatory provisions including the applicable provisions of 209 CMR 33.21-30, inclusive, governing such transactions.

The application and supporting documents, as amended, have established an extensive record on this petition which has been reviewed in light of the statutory and regulatory provisions as well as policies of the Division. Those statutory requirements necessitate that; among other things, the Division consider whether the reorganization will be unfair to the depositors of the Petitioner and whether the public will be served by this transaction. Having considered the record established in this application, the Division has determined that statutory, regulatory and administrative considerations support approval of the reorganization.

In accordance with these findings and pursuant to statute, I hereby approve the reorganization subject to the submission to the Division of a favorable tax ruling or opinion of counsel no later than at the time of closing of the transaction and the following considerations:

1. The reorganization shall not be consummated until:

   a. all additional regulatory approvals have been obtained; and

   b. all of the assets of the Petitioner are transferred to the Subsidiary Bank subject to the retention of such assets as referred to in the Plan of Reorganization of no more than $50,000.

2. Commencing with the acquisition's effective date, the Division's minimum capital requirements for the Subsidiary Bank and the Holding Company are as follows:

   a. the Subsidiary Bank's Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as

specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon the Subsidiary Bank's most recent Federal Deposit Insurance Corporation Report of Condition and Income and any amendments thereto. The amount of capital shall be calculated in accordance with 12 CFR Part 325.

b. the Holding Company's consolidated Tier 1 leverage capital ratio must equal or exceed 4%, or any such higher amount as specified within any formal or informal regulatory action document required by the Division, the Federal Deposit Insurance Corporation or the Federal Reserve, based upon its most recent call report or any amendment thereto as reported to the federal or state authority; and

c. If the minimum capital ratios fall or would fall below those stated in clauses a and b, the Commissioner may impose further conditions or restrictions on the payment of dividends. There will be no dividend restrictions other than those found in Massachusetts General Laws chapter 172, section 28, so long as the minimum capital ratios set out herein are maintained.

3. After the completion of the reorganization

   a. the Holding Company may engage in only such activities as are now or may hereinafter be activities authorized for a mutual holding company under section 7 and other applicable provisions of chapter 167H; and

   b. the Subsidiary Bank may engage in any investment or activity which it may from time to time engage in as a state-chartered savings bank in stock form.

4. That Articles of Organization and/or Charter documents be placed on record with the Office of the Secretary of State.

12/14/95
Date

Commissioner of Banks

The Commonwealth of Massachusetts
Board of Bank Incorporation
State Office Building, Boston

CERTIFICATE TO COMMENCE BUSINESS

The Board of Bank Incorporation constituted under the provisions of Massachusetts General Laws chapter 26, section 5, and acting under the powers conferred upon it by chapter 167H, section 5 of said General Laws hereby certifies that

BENJAMIN FRANKLIN SAVINGS BANK

Franklin, in said Commonwealth, has filed with the Board Articles of Organization and other information required by said section 5 of said chapter 167H and an examination has been made from which the Board has determined that the Bank has complied with all other requirements of said chapter 167H. Benjamin Franklin Savings Bank is hereby authorized to commence the business of a stock bank provided that business shall not commence until the Bank has filed applicable documents with the State Secretary.

IN TESTIMONY WHEREOF the members of the Board hereby affix their name at Boston this 14th day of December, 1995.

Commissioner of Banks

Commissioner of Revenue

Treasurer and Receiver-General

Board of Bank Incorporation

ACME
BOOKBINDING CO., INC.

JUN 22 2000

100 CAMBRIDGE STREET
CHARLESTOWN, MA 02129